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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that C. Wayne Berry, age 51, of Portsmouth, VA, pled guilty today in U.S. District Court in Norfolk to a one count criminal information charging him with committing mail fraud. Berry, a former insurance agent and owner of C. Wayne Berry and Associates, was charged with creating a scheme and artifice designed to defraud persons seeking financial services and insurance products from Berry. As a result of his guilty plea, Berry faces a maximum prison term of 20 years, a fine of \$250,000, and the forfeiture of fraudulently-obtained assets. Berry is scheduled to be sentenced on March 14, 2006, in Norfolk, Virginia, by United States District Judge Raymond A. Jackson.

From November 1996 through 2004, Berry operated C. Wayne Berry and Associates in Portsmouth, VA. This business provided financial services to hundreds of clients and specialized in the promotion of insurance products. As part of his scheme, Berry regularly advertised his business and conducted free financial seminars designed to attract senior citizens as new clients. In advertisements and in client correspondence, C. Wayne Berry described himself and his associates as the "Safe Money Guys" and his business as the "Safe Money Group." In sales pitches to seniors, Berry promised that he could invest their monies in products that would protect the principal, but which would still obtain significant returns. Rather than doing this, Berry began embezzling client funds as early as 1996.

From 1996 through 2005, Berry stole approximately \$2,200,644 provided to him by over 30 clients. To hide the thefts, Berry lied to clients about the status of their investments and prepared and mailed false account statements to them showing that the monies received were invested and were earning substantial returns.

Berry used the stolen monies to help pay for business expenses, car purchases and car loans, home mortgage loans, assorted trips and cruises, utility bills, and numerous other personal and credit card bills. In 2004 alone, he used the stolen monies to pay down approximately \$292,000 in debts incurred on over 50 business and personal credit card accounts.

As a result of the investigation, approximately \$200,000 in stolen funds and other assets have been recovered from Berry and will be used to help repay victims. Two insurance companies, whose products Berry purported to sell to victim clients, have also paid approximately \$1,108,067 to

victims of Berry's fraud. Allianz Life Insurance Company of North America has paid approximately \$836,691 to 16 fraud victims, whose funds were supposed to have been invested with Allianz Life. American Investors Life Insurance Company has repaid another victim approximately \$271,376.

The Federal Bureau of Investigation and Virginia's Bureau of Insurance with the State Corporation Commission jointly investigated this case. Assistant United States Attorney Robert J. Krask prosecuted the case.

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